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September 12, 1994

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF SECRETARY

Via Hand Delivery

William F. Caton Acting Secretary Federal Communications Commission 1919 M Street, NW Room 222 Washington, DC 20554

Re:

CD Docket No. 94-4, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming

Dear Mr. Caton:

This letter is being filed pursuant to the provisions of Section 1.1206(a)(3) of the Commission's rules. It provides certain additional information requested by the Commission's staff in connection with the above-captioned proceeding. The information concerns certain recent developments in the implementation of DIRECTV's introduction of the nation's first high-power Direct Broadcast Satellite services.

- 1. Attached to this letter is the most recent programming line-up offered by DIRECTV. It heralds the introduction of DIRECTV's new Total Choice package.
- 2. Thompson Consumer Electronics ("TCS") is presently the sole manufacturer of the DIRECTV Digital Satellite System ("DSS") receiver. Its period of exclusivity lasts for 18 months of service (which started June 17, 1994) or for the first one million units produced, whichever occurs first. At that time, Sony will be added as a second DSS manufacturer and TCS and Sony will be exclusive for approximately six months. After that period, additional DSS manufacturers may be authorized by DIRECTV.

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William F. Caton September 12, 1994 Page 2

- 3. DIRECTV has completed the first two phases if its national roll-out and has authorized DIRECTV agents in 12 states. The third phase of the national roll-out started September 9 and will continue through the remainder of the year.
- 4. DIRECTV does have interactive capabilities. The DSS architecture includes a modem in the DSS receiver. The modem allows the DSS receiver to use a telephone line in the subscriber's home to return purchase and other information to the DIRECTV billing system. This capability may also provide a return path for future interactive applications. The DSS receiver also includes a wideband data port which can interface to other devices to provide further interactive capabilities.

Please do not hesitate to contact me if you would like any additional information.

Very truly yours,

Gary M. Epstein

Counsel for DIRECTV

Enclosure

cc: James Olson

Chief, Competition Division

Paul Gallant, Esq. Competition Division

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IRECTY offers its customers an exciting and माप्रिक्ट भूटविद्यामाप्रिक विभिन्न ated to news, The State of the and s to (Anthony is a continue of tched in organical convasion today, ig packages and a ention of the control Interests. In addition, dozens of Hollywood movies and live special events are available every month on the Direct TicketTM Pay

Pay Per View



Direct Ticket Pay Per View. Features up to 50 channels of hit movies, live sports and special events. Hit films are available as often as every 30 minutes and can be instantly ordered using the on-screen program guide and remote control. Programming is provided by major Hollywood and independent motion picture studios that include:

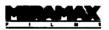


















Turner MGM Film Library

Sony Pictures Classics

Major event promoters

General Entertainment



A&E. The leader in quality entertainment featuring the best in comedy, drama, documentaries and performing arts. A&E leads the industry in providing programming with educational merit and has been awarded more CableAce Awards than any other basic cable network.



E! Entertainment Television. The only network devoted exclusively to the world of entertainment. Among E!'s compelling features are celebrity interviews, previews of the latest movie releases, and original programs such as Talk Soup.



PrimeTime 24. Network television service to areas in the United States that are unserved by local affiliates or cable. Its five channels are WABC (ABC-New York), WXIA (NBC-Atlanta), WRAL (CBS-Raleigh), WFLD (FOX-Chicago) and KRMA (PBS-Denver).



Turner Network Television (TNT). When it comes to big-time entertainment, nobody plays movies, makes originals, knows 'toons or covers sports like TNT. Programming features the greatest movies Hollywood ever made, star-studded original productions, and classic kids' shows.



Superstation TBS. Features an outstanding array of family-oriented programming. See exclusive specials, compelling documentaries and movies, plus professional sports.



USA Network. USA features syndicated dramas like MacGyver, Murder She Wrote and Counterstrike. These shows, in addition to comedy programs, variety specials and exclusive sports coverage, make USA one of the most popular cable networks in prime time.



Moomberg



Bloomberg Direct. Provides continuous coverage of worldwide business and financial news daily from 6:00 am to 8:00 pm Eastern time. Forty news bureaus, all major commodities/debt/equity exchanges and the U.S. Chamber of Commerce contribute original breaking news stories, statistical data and training seminars.

CNN. CNN provides viewers the fastest, most complete 24-hour coverage of breaking news. It offers a variety of programs ranging from business to sports to entertainment, as well as topical interviews and the highly-regarded Larry King Live program.



NEW

CNN International. 24-hour international news service features special events, sports and weather, plus the ability to "go live" to the scene of late-breaking news stories from every corner of the world. Available in 1995.

ENBC

CNBC. Financial news highlights dominate the day, while nights include features and discussions of contemporary business issues.

C-SPAN C-SPAN2

C-SPAN and C-SPAN2. Unique news and information programming, including 24-hour coverage of important political events from Washington, DC, and around the nation. C-SPAN offers debate from the floor of the U.S. House, live and in its entirety. C-SPAN2 covers the U.S. Senate.



Court TV. The only 24-hour network dedicated to live and taped coverage of courtroom trials from around the U.S. The coverage is supplemented by programs that focus on courts and legal issues in American and around the world. As many as three live trials are covered daily.



Headline News. Every 30 minutes, Turner Broadcasting's 24-hour news service delivers an updated, concise report on the day's top stories, business, sports and entertainment news for the on-the-go viewer.



NEW

Newsworld International. The renowned Canadian Broadcasting Corp. supplies 24-hours of international coverage devoted to hard-hitting news and comprehensive current affairs features.



The Travel Channel. Business and leisure travelers find this 24-hour network a valuable source of great ideas for all kinds of travel. Original programs feature tourism experts, authors, newsmakers and celebrities.



The Weather Channel. Weather watchers can find 24-hour reports on regional and national weather conditions. Special weather-related features and reports on unusual weather phenomenon.

Sports

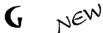


ESPN. America's Number One sports network delivers all sports, all the time, plus diverse sports-related news and information. Features Sunday Night NFL Football, Major League Baseball and NCAA Basketball.



ESPN2. An exciting, fast-paced mix of sports events, news, information, sports entertainment and nightly themed blocks for the younger sports fan.

ESPN/ABC Sports College Football season ticket. Exclusive coverage of the country's top-ranked college football games not usually available locally on broadcast TV. Features teams from all the conferences—the Big Ten, Pac 10, Big 8, SEC, SWC, ACC, WAC and Big East Conferences. Available on a seasonal or individual weekend basis.



THE GOLF CHANNEL

The Golf Channel. 24-hour live and tape-delay coverage of worldclass international tournaments from Europe, Africa and Australia. Scheduled to launch in 1995.



Turner Network Television (TNT) sports. Great programming includes sports and weekly series, plus the ever-popular NBA on TNT and Sunday Night NFL Football. May not be available in all areas.



Superstation TBS sports. One of America's most popular basic entertainment networks includes a wide variety of professional sports and sports specials.



TNN: The Nashville Network sports. Wide-ranging programming includes extensive coverage of the NASCAR racing circuit.



USA Network sports. Exclusive programming for die-hard sports fans includes championship tennis and golf events. USA is also the official cable network of the World Wrestling Federation.

Family / Children



CARTOON NETWORK

Cartoon Network. The world's first and only 24-hour network offering the best in animation programming. For cartoon lovers young and old, this network offers 8,500 animated programs from the Hanna-Barbera libraries including bugs Bunny, The Flintstones and many more.



The Discovery Channel. Explore your world with powerful and insightful news and information documentaries from the worlds of science, nature, medicine and outdoor adventure.

The Disney Channel

The Disney Channel. Quality entertainment for the whole family, featuring animated Disney classics, original series, entertainment specials and movies. Included at no additional charge in DIRECTV's Total Choice™ programming package.



The Family Channel. Highlights positive values and offers a broad mix of original programs and classic favorites for the entire family. Program scheduling includes a Saturday block of westerns, daily children's shows, dramas, sitcoms and movies.



The Learning Channel. Entertaining and informative programming 24-hours a day, including six commercial-free hours of daily programming for pre-schoolers.



Sci-Fi Channel. Features the best of science fiction, science fact, fantasy and horror. The Sci-Fi programming mix includes classic and current popular series, original movies and series, animation, documentaries, plus feature films packaged into festivals and theme weeks.



NEW

TRIO. A family-oriented entertainment service from Canada that feature drama, arts and journalism.



Turner Classic Movies. 24-hour service features some of the best classic movies ever made. The channel culls from vintage RKO, MGM and pre-1950 Warner Bros. films found in Turner Entertainment Co.'s library of more than 3,300 titles. Movies are shown in their theatrical entirety without commercials.



NEW

STARZ! Provides exclusive premiers of first-run hit movies from major and independent studios, as well as quality selections from ENCORE's library of over 3,000 titles from the past three decades.



ENCORE. Brings back high-quality hit movies from the '60s, '70s and '80s and presents them uncut, commercial-free, 24-hours a day. Includes movie_host segments, interviews and movie trivia between films. Multiplexed channels present feature programs in various genres.



ENCORE 2: Love Stories. Romantic programming that showcases movies with love themes such as Splendor in the Grass and Violets Are Blue.



ENCORE 3: Western. Includes films and series about the Western Frontier era such as The Magnificent Seven and The Lone Ranger.



ENCORE 4: Mystery. "Whodunit" programming with films and series that feature suspense, intrique and skullduggery. Viewers can enjoy movies like Murder On The Orient Express and series such as Suspense Theatre.



ENCORE 5: Action. Avoiding gratuitous violence, this exciting service highlights such fine action movies as Lawrence of Arabia and Lethal Weapon, plus series such as S.W.A.T. and The Mod Squad.



ENCORE 6: True Stores & Drama. Caters to viewer's interest in reality-based programming with factual stories and thought-provoking movies such as Raging Bull, The Buddy Holly Story and Brian's Song.



ENCORE 7: Wam! Specialized for younger viewers (aged 8-16), this channel provides wholesome family movies and educational programming for children making the transition between pre-school programming and rock music videos.



CMT: Country Music Television. CMT plays the top 100 contemporary hit country music videos 24-hours a day, including interviews with the hottest stars. What's more, CMT Top Video Countdown is the only viewer response country countdown on TV or radio.



TNN: The Nashville Network. America's top source of country music entertainment offers original concert specials, entertainment news, interviews, live variety, music videos and exclusive sports coverage 18-hours a day.

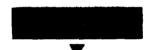


Music Choice (CD audio). Over 25 channels of commercial-free, CDquality digital sound spice up this diverse, innovative audio service. Formats to suit every music lover, from Big Band to rock, and hip hop to Latin pop.



NEW

MuchMusic. Featuring 2-hour leading edge pictures and sound that includes rock, pop, and rap music video, entertainment news and views, fashion, film, art and viewer interaction presented in a living, high-tech, studioless, real time television environment.





Playboy TV. Monthly subscription or nightly pay per view service offers sophisticated entertainment for adults, including Playboy-produced series and specials ranging from the informative to the sensual.



TV Asia. Daily service provides movies, news, music, drama and sports programs from the Indian subcontinent.

Physicians Television Network (PTN). Specialized programming for physicians that includes medical symposia, debates on key medical issues, and features on medical specialties and the legal aspects of practicing medicine. Physicians may use this service to receive continuing medical education credit from the Network for Continuing Medical Education program sponsored by Visual Information Systems, Inc.